वहनीय स्तरों के भीतर रखा जा सके तथा इसके साथ ही देश की विदेशी वित्त सहायता की आवश्यकता और विदेशी मुद्रा प्रारक्षित भंडारों के पर्याप्त स्तर के अनुरूप पूंजी प्रवाह को विनियमित किया जा सके।

Erosion in Value of UTI's Premier Scheme

202. SHRI GAYA SINGH:
SHRI GURUDAS DAS GUPTA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the recent erosion in value of UTI's Premier Scheme US-64;

(b) if so, the details thereof;

(c) whether the Central Trade Unions have expressed concern over this erosion as a large percentage of social security funds were invested in the scheme; and

(d) if so, the details in this regard and Government's reaction thereto?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) and (b) According to Unit Trust of India (UTI), due to unfavourable stock market conditions there was a notionals depreciation in value of US-64 investment or Rs. 3566 crores as on 30th June, 1998.

(c) and (d) US-64 units are not a part of approved list of investment for provident/pension funds.

Remittance of Royalties by Nestle India Limited

203. SHRI KULDIP NAYYAR: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Nestle India Limited remitted Rs. 43 crores in 1997 and Rs. 35 crores in 1996 on account of royalties;

(b) what is the basis on which the royalties payable are calculated;

(c) the manner in which Government check its validity;

(d) what is the justification of such large sums of money being sent out of the country by a consumer goods manufacturer; and

(e) whether the payment of royalty tax is deductable; if so, what is the loss on tax revenue?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN): (a) Yes Sir.

(b) Royalty is paid at 5% of turnover, net of excise duty on domestic sales. For export sales, the royalty is paid at 7%.

(c) The payment of royalty is governed as per the Agreement which is duly approved by the Reserve Bank of India.

(d) Royalty is paid for providing technical assistance as per the Agreement.

(e) Payment of royalty is an allowable expenditure as per the provisions of Income-tax Act, 1961 for computing taxable income. However, 20% of gross royalty remitted abroad is deducted as tax at source. Royalty tax is not deductible in the computation of income or from the final tax payable by Nestle India.

US 64 Crisis in UTI

204. SHRI P. PRABHAKAR REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the UTI was recently in the grip of a serious redemption pressure of US 64 units;

(b) if so, the number of units offered for repurchase and the number actually purchased by the UTI as on date;

(c) by when the backlog; if any, is likely to be cleared; and

(d) the steps taken to generate public confidence in the credibility of the UTI?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) to (c)

According to Unit Trust of India (UTI), US-64 is an open-ended scheme and UTI honours repurchase requests of all unit-holders. During the period October 1, 1998 to November 27, 1998 the repurchases aggregated to Rs. 3508 crore. The repurchase amount which was Rs. 2385 crore for October, 1998 came down to almost half in November, 1998 at Rs. 1123 crore.

(d) The Chairman, UTI has written an open letter to all unit-holders explaining the facts of US-64. UTI has also constituted a high level committee under the chairmanship of Shri Deepak Parekh to make suggestions for further strengthening the US-64.

Functioning of Nationalised Banks in Rural Areas

205. SHRI C. RAMACHANDRAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware of poor services of nationalised Banks including their causal attitude towards customers in rural areas;

(b) whether any steps have been taken by Government to improve functioning of nationalised Banks in rural areas;

(c) if so, the details thereof; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN): (a) to (d) In the context of occasional complaints regarding indifferent service by some branches of public sector banks including branches in rural areas, Government have been impressing on the managements of banks to improve customer service. Improvement of customer service is an ongoing process to which the Government/Reservse Bank of India and the top management of public sector banks give continuing attention. Recognising that indifferent service is often caused by problems of attitude, the banks have included, in the course content of different training course, capsules relating to the need for changing attitudes of bank employees to the customers of banks in order to ensure the improvement in customer service.

Earmarking of Budget for North-Eastern States

206. SHRI KHAGEN DAS: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government have decided to earmark 10 per cent of the budget of Central Ministries for the North East;

(b) if so, what are the details in this regard; and

(c) in what manner the Central Government proposes to distribute this amount amongst the North-Eastern States?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) to (c) The Government of India have decided to create a Central Pool of Resources for the North East (and Sikkim) by utilising unspent amount(s) out of 10% of the budgets of the concerned Central Ministries/Departments earmarked for these States. The funds available in the Central Pool are meant to be utilised for meeting the requirements of specific projects in the North East and Sikkim for speedier development of the Region.

Long term foreign Capital Investment in the Country

207. SHRI ASHOK MITRA: Will the Minister of FINANCE be pleased to state:

(a) the total volume of long term foreign capital actually invested in the country in each of the years since 1991-92;

(b) the proportion of this aggregate investment going to the services and the luxury consumption sectors; and